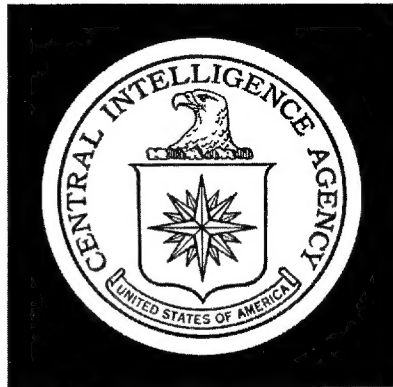


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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

*Foreign Shipping to North Vietnam
During August 1967*

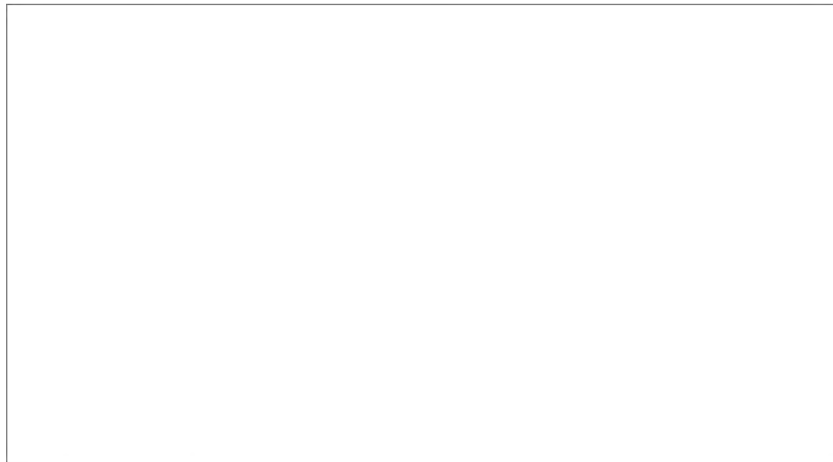
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SECRETCENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence

INTELLIGENCE MEMORANDUM

Foreign Shipping to North Vietnam
During August 1967Summary

The congestion of ships at Haiphong was significantly reduced in August, as ship arrivals and seaborne imports stayed below the levels of the first half of the year for the second consecutive month (see the chart). Only 14 ships remained at Haiphong at the end of August, whereas 23 had been awaiting discharge on 31 July. The cumulative effects of bomb damage caused seaborne exports to decline to the lowest volume in more than 32 months. A particularly sharp falling off in Communist ship arrivals in North Vietnam during July and August is apparent in the tabulation below:

<u>Flag</u>	<u>July</u>	<u>August</u>	<u>Monthly Average</u> <u>January-July</u>
Total	<u>22</u>	<u>23</u>	<u>36.3</u>
Communist countries	<u>17</u>	<u>17</u>	<u>30.0</u>
USSR	10	12	16.7
Eastern Europe	2	1	3.3
Communist China	5	4	9.9
Cuba	0	0	0.1
Free World	<u>5</u>	<u>6</u>	<u>6.3</u>
United Kingdom	5	4	5.3
Other	0	2	1.0

Note: This memorandum was produced by CIA. It was prepared by the Office of Economic Research; the estimates and conclusions represent the best judgment of the Directorate of Intelligence as of 21 September 1967.

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Much of the decline in Soviet and Chinese ship arrivals is attributable to the retardation of North Vietnam's export capability. Many Chinese ships have been sailing to North Vietnam in ballast to load coal, and Soviet ships chartered to North Vietnam have carried a large share of its exports to the Free World. The small decline in Eastern European ship arrivals apparently is due to lengthy delays of Polish ships at Chinese ports.

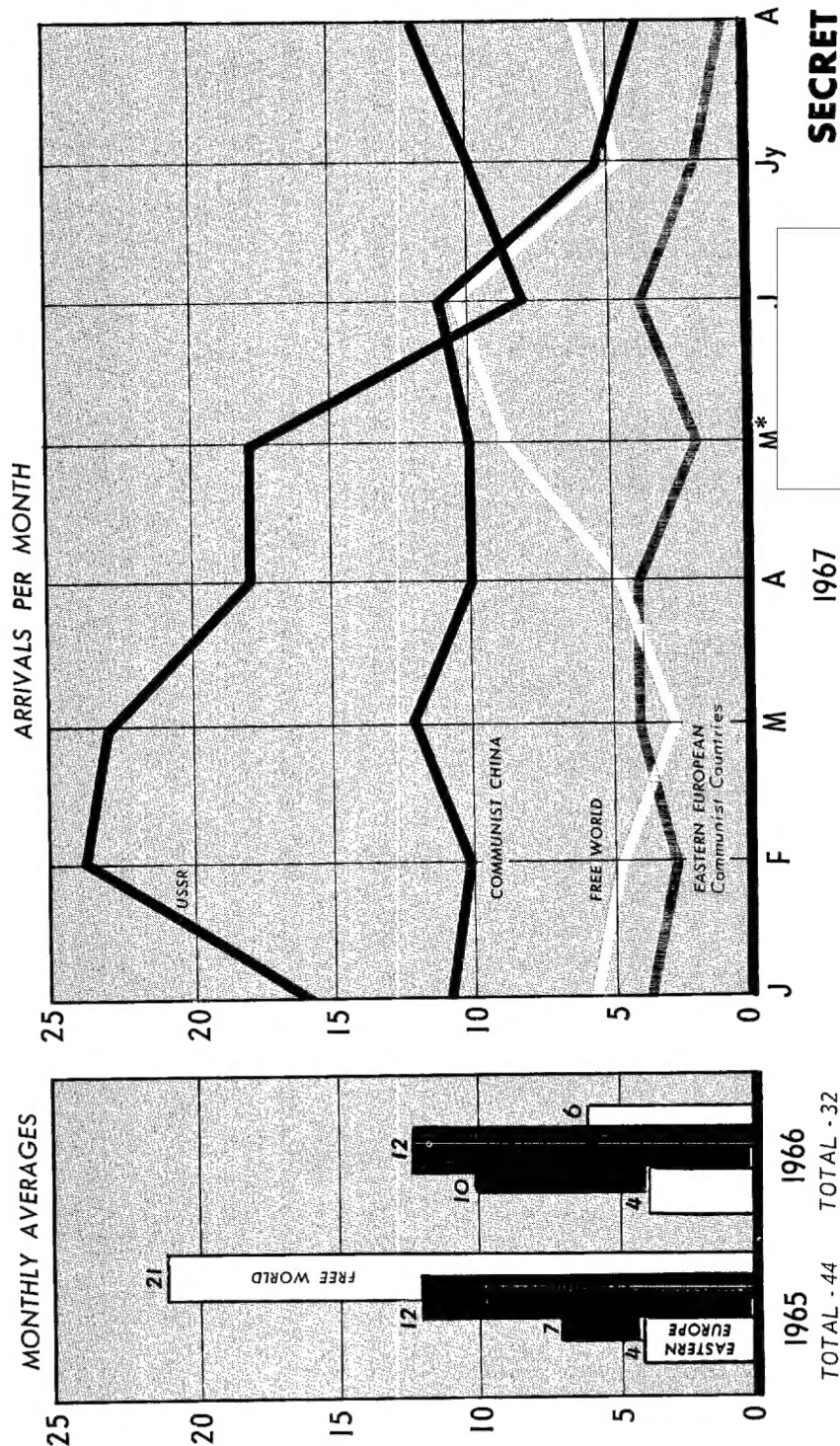
Seaborne deliveries of fertilizer and petroleum in August approximated the levels of the first six months of 1967. Petroleum imports increased to 22,600 tons, and were close to the average monthly volume during the first six months of 1967. Imports of foodstuffs and miscellaneous and general cargoes amounted to 27,300 tons and 37,800 tons, respectively - less than the average monthly volumes in the first half of 1967 but well above those of 1966. Deliveries of general cargo consisted largely of trucks, construction equipment, rolled steel products, machinery, chemicals, and various other industrial products. No imports of arms or ammunition were detected.

Coal exports declined to only 16,300 tons, compared with an average monthly volume of 78,200 tons in 1966. No exports of apatite, cement, or pig iron were detected.

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North Vietnam: Foreign Ship Arrivals



* Excluding One Cuban Ship

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The Situation at Haiphong

1. The congestion of ships at Haiphong was greatly reduced in August. By the end of the month, only 14 ships were in the port, compared with 23 at the end of July. As a result of the heavy congestion apparent in late June and early July, the average layover time of dry cargo ships that departed from Haiphong in August was the longest recorded in the past 32 months - 33 days - compared with an average layover period of 12 days in the first quarter of this year. Freighters that had discharged cargoes of 7,000 tons or more averaged 46 days at Haiphong, compared with 19 days in the first 3 months of 1967. A record layover of 80 days was endured by a Cypriot-flag ship under North Vietnamese charter that had arrived in June with 10,400 tons of Cuban sugar. Much shorter layover periods are expected in September.

Free World Shipping

2. Six Free World ships called at North Vietnam in August and delivered 32 percent of the imports identified aboard foreign ships. Four were Hong Kong-owned British-flag ships operating under time charters to China. All four delivered cargoes from China, including an estimated 7,000-ton tanker shipment of petroleum. Two freighters owned by Livanos Bros. of London, but sailing under the flags of Cyprus and Malta, delivered fertilizer and general cargoes from North Korea. One also carried a small volume of general cargoes from Japan. Both Livanos ships are time chartered to North Vietnam. Eight Free World ships departed from North Vietnam; seven sailed to China and one to Singapore, all in ballast.

Communist Shipping

3. Soviet ships in August carried nearly 53 percent of North Vietnam's imports and 72 percent of the exports identified on foreign ships. Soviet ship arrivals consisted of two tankers and ten dry cargo ships, compared with average monthly totals of four tankers and 14 dry cargo ships in

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the first half of 1967. Both tankers and seven dry cargo ships sailed from Soviet Far East ports. Of the latter, four carried flour, two delivered miscellaneous and general cargoes (including a shipment of petroleum in drums), and one arrived in ballast. Three Soviet dry cargo ships arrived from Black Sea ports (compared with an average of 4.3 a month in the period January-June 1967) carrying fertilizer and mixed general cargoes. None of the Soviet ships had sailed from Free World ports, although an average of nearly five a month did so in the first six months of this year. The lack of exports has caused a reduction in shipments to Free World countries on Soviet ships chartered to North Vietnam.

4. Fourteen Soviet ships - a tanker and 13 freighters - departed from North Vietnam in August. Five dry cargo ships sailed for Singapore (two in ballast and three with small amounts of coffee, peanut oil, and other general cargoes), four went to Japan (one in ballast and three with coal), three freighters and a tanker left in ballast for Vladivostok, and one freighter carried general cargo to North Korea.

5. Only four Chinese Communist ships called at North Vietnam in August, compared with a monthly average of 11 in the first half of 1967. The decline is attributable primarily to North Vietnam's current inability to provide normal quantities of coal for export and to some extent to decreased shipments from China. Two Chinese ships arrived from China; one carried general cargoes and the other apparently was in ballast. Another Chinese ship delivered timber and coconut oil from Cambodia, and a Chinese-flag freighter chartered to Chipolbrok* delivered general cargoes that included trucks and chemicals from Eastern Europe and steel from Great Britain. Five Chinese ships departed from North Vietnam. Four sailed for China - two with coal and two in

* *The Chinese-Polish Shipbrokers Corporation.*

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ballast - and a second Chinese-flag ship under Chipolbrok charter loaded general cargoes for Eastern Europe.

6. Only one Eastern European ship, a Chipolbrok-chartered Polish-flag ship, called at North Vietnam in August - with general cargoes from Eastern Europe and Great Britain. The delay of an unusual number of Polish ships in Chinese ports probably explains the few calls by Polish ships in August. Three Polish-flag ships sailed from North Vietnam with small volumes of mixed export cargoes for European ports. Two of these ships were in liner service for the Polish Ocean Lines and one was chartered to Chipolbrok.*

Cargoes

7. Identified seaborne imports in August totaled 108,100 tons, 20,000 tons less than the average monthly volume in the period January-June 1967. Reduced imports of foodstuffs and miscellaneous and general cargoes accounted for most of the difference. No deliveries of arms or ammunition were detected.**

8. Imports of petroleum increased sharply from the low volume of July to 22,600 tons, only 1,100 tons less than the average monthly volume of the first six months. An estimated 7,000 tons arrived

* *Not the same Chipolbrok-chartered Polish ship listed among the arrivals.*

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from China and the remainder from the USSR. Soviet dry cargo ships delivered 1,900 tons of packaged petroleum products (900 tons from a Soviet Far East port), and Soviet tankers carried 13,700 tons of petroleum from Vladivostok. A Soviet tanker that apparently had been scheduled to deliver its 9,700-ton cargo to Fort Bayard in Communist China for overland shipment to North Vietnam arrived instead at Haiphong, possibly because of a series of incidents of Red Guard harassment of Soviet crews in Chinese ports. Following a recent practice, a smaller Soviet tanker lightered off part of the load of a larger Soviet tanker, reducing its draft before its transit of the channel to Haiphong.* All other tankers had discharged and cleared North Vietnamese waters prior to the arrivals of the three tankers in August. Nevertheless, a long layover of 35 days or more apparently is expected by the larger Soviet tanker.

9. Imports of miscellaneous and general cargoes identified on foreign ships amounted to 37,800 tons, compared with an average monthly volume of 44,800 tons in the first half of this year. General cargo shipments from the USSR totaled 16,000 tons (3,200 less than the January-June level) and included metals, construction equipment, barges, and other industrial products. Shipments from Eastern European countries totaled 7,200 tons and consisted largely of trucks (including tank trucks), other vehicles, unassembled lighters, steel, machinery, and chemicals. Deliveries from Communist China declined from the unusually high volumes of June and July (25,300 tons and 18,900 tons) to 6,600 tons. Shipments from Great Britain (via Poland) included approximately 3,900 tons of steel bars. In view of the halt of production at the Haiphong cement plant, the lack of seaborne imports of cement is surprising. Cement may be coming in by rail or undetected on Chinese Communist ships.

** North Vietnam's employment of Soviet tankers for lightering operations is attributed to a shortage of lighters, a desire to effect offshore lighterage under the protection of a foreign flag, or a combination of these reasons.*

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10. Seaborne imports of foodstuffs in August consisted of 19,200 tons of flour from the Soviet Far East, 8,000 tons of potatoes and soy beans from China, and 100 tons of coconut oil from Cambodia. Deliveries of foodstuffs in July and August totaled 24,800 tons and 27,300 tons, respectively, compared with average monthly volumes of 39,700 tons in the first six months of 1967 and 6,500 tons in 1966. Ships delivering flour and rice were given priority in discharging during July and August.

11. Seaborne exports dropped in August to 20,500 tons, the lowest volume recorded in the past 32 months, as a result of the cumulative effects of airstrikes on lines of communication and plants producing electric power, cement, and coal. Only 16,300 tons of coal were exported by sea. Japan received 12,100 tons, and 4,200 tons went to China. Identified exports in August are compared with average monthly volumes in 1966 and with the highest quarterly volumes in the period 1 January 1965 - 30 June 1967 in the tabulation below:

	Average Monthly Volumes of Seaborne Exports (Thousand Metric Tons)		
	August 1967	1966	Peak Quarterly Period
Total	20.5	27.3 a/	168.0 1st quarter 1965
Coal	16.3	78.2	136.6 1st quarter 1966
From Cam Pha	9.7	64.4	126.8 1st quarter 1966
From Hon Gay	6.6	13.8	15.5 4th quarter 1966
Apatite	0	0.9	55.6 1st quarter 1965
Cement	0	8.3	13.3 2nd quarter 1966
Pig iron	0	3.4	10.0 4th quarter 1966
Miscellaneous	4.2	6.7	11.8 4th quarter 1965

a. Because of rounding, components do not add to the totals shown.

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Table 1

North Vietnam: Foreign-Flag Ship Arrivals a/
January-August 1966-67

									<u>Jan-Aug 1967</u>		<u>Jan-Aug 1966</u>	
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Total</u>	<u>Percent</u>	<u>Total</u>	<u>Percent</u>
Total	<u>37</u>	<u>42</u>	<u>42</u>	<u>37</u>	<u>40</u>	<u>34</u>	<u>22</u>	<u>23</u>	<u>277</u>	<u>100.0</u>	<u>254</u>	<u>100.0</u>
Communist countries	<u>31</u>	<u>37</u>	<u>39</u>	<u>32</u>	<u>31</u>	<u>23</u>	<u>17</u>	<u>17</u>	<u>227</u>	<u>81.9</u>	<u>196</u>	<u>77.2</u>
USSR	16	24	23	18	18	8	10	12	129	46.6	87	34.3
Eastern Europe	4	3	4	4	2	4	2	1	24	8.7	23	9.1
Albania						1			1	0.4	1	0.4
Bulgaria	2	1	1						4	1.4	3	1.2
Poland	2	2	3	4	2	3	2	1	19	6.9	19	7.5
Communist China	11	10	12	10	10	11	5	4	73	26.4	85	33.5
Cuba					1				1	0.4	1	0.4
Free World	<u>6</u>	<u>5</u>	<u>3</u>	<u>5</u>	<u>9</u>	<u>11</u>	<u>5</u>	<u>6</u>	<u>50</u>	<u>18.1</u>	<u>58</u>	<u>22.8</u>
Cyprus		1		1	1	1		1	5	1.8	7	2.8
Greece											7	2.8
Italy						1			1	0.4	1	0.4
Malta		1			1			1	3	1.1	3	1.2
United Kingdom	6	3	3	4	7	9	5	4	41	14.8	40	15.7

a. Because of rounding, components may not add to the totals shown.

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Table 2

North Vietnam: Tonnage of Foreign-Flag Ship Arrivals a/
July, August, January-August 1967 and January-August 1966

Type of Ship and Flag	July 1967		August 1967		January-August 1967		January-August 1966	
	Number	Thousand Gross Register Tons	Number	Thousand Gross Register Tons	Number	Thousand Gross Register Tons	Number	Thousand Gross Register Tons
Total	<u>22</u>	<u>90.8</u>	<u>23</u>	<u>137.9</u>	<u>277</u>	<u>1,364.0</u>	<u>254</u>	<u>1,502.1</u>
Dry cargo	21	82.6	20	120.7	246	1,232.0	235	1,386.9
Tanker	1	8.2	3	17.3	31	132.0	19	115.2
Communist countries	<u>17</u>	<u>71.0</u>	<u>17</u>	<u>104.4</u>	<u>227</u>	<u>1,123.4</u>	<u>196</u>	<u>1,174.5</u>
USSR	10	43.9	12	75.0	129	653.7	87	642.4
Eastern Europe	2	11.8	1	10.4	24	187.6	23	171.3
Communist China	5	15.3	4	19.0	73	272.6	85	351.2
Cuba					1	9.5	1	9.7
Free World	<u>5</u>	<u>19.8</u>	<u>6</u>	<u>33.5</u>	<u>50</u>	<u>240.5</u>	<u>58</u>	<u>327.6</u>

a. The aggregate tonnage of ships calling is not necessarily correlative to the actual volume of cargoes moving into and out of North Vietnam, but these data are of value as indications of relative changes in the volume of shipping. Because of rounding, components may not add to the totals shown.

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Table 3

North Vietnam: Identified Imports Carried by Foreign-Flag Ships a/
August 1967

Flag	Commodity					Total
	Ammonium Sulfate and other Fertilizers	Petroleum	Bulk Foodstuffs	Timber	Miscellaneous	
Total	<u>17.2</u>	<u>22.6</u>	<u>27.3</u>	<u>3.2</u>	<u>37.8</u>	<u>108.1</u>
Communist countries	<u>6.0</u>	<u>15.6</u>	<u>19.3</u>	<u>3.2</u>	<u>29.3</u>	<u>73.4</u>
USSR	6.0	15.6	19.2	0.1	16.0	57.0
Eastern Europe					5.3	5.3
Communist China b/			0.1	3.0	8.0	11.1
Cuba						
Free World	<u>11.2</u>	<u>7.0</u>	<u>8.0</u>	<u>0</u>	<u>8.5</u>	<u>34.7</u>

a. Identified imports include some estimates of bulk cargoes, using methods which have proved to be highly reliable. Because of rounding, components may not add to the totals shown.

b. An additional unknown quantity of imports may have been carried by Chinese Communist ships.

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Table 4

North Vietnam: Identified Exports Carried by Foreign-Flag Ships a/
August 1967

Thousand Metric Tons			
Flag	Commodity		Total
	Coal	Miscellaneous	
Total	<u>16.3</u>	<u>4.2</u>	<u>20.5</u>
Communist countries	<u>16.3</u>	<u>4.2</u>	<u>20.5</u>
USSR	12.1	2.7	14.8
Eastern Europe		1.2	1.2
Communist China	4.2	0.3	4.5
Cuba			
Free World ships	<u>0</u>	<u>0</u>	<u>0</u>

a. Identified exports include some estimates of bulk cargoes, using methods which have proved to be highly reliable.

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